



**City of McMinnville**  
**Planning Department**  
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## EXHIBIT 2 - STAFF REPORT

**DATE:** May 27, 2021  
**TO:** Historic Landmark Committee Members  
**FROM:** Chuck Darnell, Senior Planner  
**SUBJECT:** PUBLIC MEETING: HL 6-20 (Certificate of Approval for Demolition) –  
826 SW Gilson Street

### STRATEGIC PRIORITY & GOAL:



### GROWTH & DEVELOPMENT CHARACTER

Guide growth & development strategically, responsively & responsibly to enhance our unique character.

**OBJECTIVE/S:** Define the unique character through a community process that articulates our core principles

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### Report in Brief:

This is a quasi-judicial review of a Certificate of Approval for Demolition land use application to allow for the demolition of an existing historic resource and building located at 826 SW Gilson Street (Tax Lot 1300, Section 29AB, T. 4 S., R. 4 W., W.M.). The building is listed on the McMinnville Historic Resources Inventory as a “Contributory” historic resource (resource number C152). The City of McMinnville has four classifications for historic resources in descending order, A, B, C and D. Per the McMinnville Municipal Code, the McMinnville Historic Landmarks Committee serves as the decision-making body for the review of any Certificate of Approval for Demolition application. The Certificate of Approval for Demolition request is subject to the review process described in Section 17.65.050 of the McMinnville Municipal Code (MMC). The Historic Landmarks Committee will make a final decision on the application, subject to appeal as described in Section 17.65.080 of the MMC.

### Background:

The subject property is located at 826 SW Gilson Street, and is identified as Tax Lot 1300, Section 29AB, T. 4 S., R. 4 W., W.M. **See Vicinity Map (Figure 1) below.**

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**Figure 1. Vicinity Map (Property Outline Approximate)**

The existing building on the subject property is listed on the Historic Resources Inventory as a “Contributory” historic resource (resource number C152). The property was originally surveyed in 1983, which is the date that the “Statement of Historical Significance and Property Description” was drafted and included on the Historic Resources Inventory sheet (resource number C152) for the subject property. This survey work led to the inclusion of the property on the Historic Resources Inventory, and the Historic Resources Inventory was adopted by the McMinnville City Council on April 14, 1987 by Ordinance 4401. The Historic Resources Inventory has since been incorporated into the McMinnville Municipal Code (MMC) through its adoption and reference in MMC Section 17.65.030(A).

The statement of historical significance and description of the building, as described in the McMinnville Historic Resources Inventory sheet for the building, is as follows:

“L-shaped house with additions that are now integral. This is another rural vernacular sample. Double hung sash windows, medium gables, added and enclosed front porch with shed roof. Boxed eaves. Composition shingle siding and brick foundation.”

An image of the historic resource from the time of the survey in 1983 is provided below:

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An image of the historic resource as it exists today is provided below:



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**Discussion:**

Decisions and/or recommendations for approval of the land use application are dependent upon whether or not the application meets state regulations, the McMinnville Comprehensive Plan and the McMinnville Municipal Code. The application can either meet these criteria as proposed, or a condition of approval can be provided that either outlines what needs to occur to meet the criteria or when something needs to occur to meet the criteria.

The specific review criteria for Certificate of Approval for Demolition requests, in Section 17.65.050(B) of the McMinnville Zoning Ordinance, require the Historic Landmarks Committee to base each decision on the following criteria:

1. The City's historic policies set forth in the comprehensive plan and the purpose of this ordinance;
2. The economic use of the historic resource and the reasonableness of the proposed action and their relationship to the historic resource preservation or renovation;
3. The value and significance of the historic resource;
4. The physical condition of the historic resource;
5. Whether the historic resource constitutes a hazard to the safety of the public or its occupants;
6. Whether the historic resource is a deterrent to an improvement program of substantial benefit to the City which overrides the public interest in its preservation;
7. Whether retention of the historic resource would cause financial hardship to the owner not outweighed by the public interest in the resource's preservation; and
8. Whether retention of the historic resource would be in the best interests of a majority of the citizens of the City, as determined by the Historic Landmarks Committee, and, if not, whether the historic resource may be preserved by an alternative means such as through photography, item removal, written description, measured drawings, sound retention or other means of limited or special preservation.

The applicant has provided a written narrative and findings to support their requests. The narrative and findings are provided in the application materials and are also reiterated and expanded upon in the Decision Document. The Decision Document includes the specific findings of fact for each of the applicable review criteria, but an overview of the findings in those Decision Documents is provided below.

The applicable review criteria in Section 17.65.050(B) only require that the Historic Landmarks Committee base its decision on the applicable review criteria. It is important to note that the proposal is not required to satisfy every one of the review criteria, but that the Historic Landmarks Committee must base its decision on the multiple review criteria. This requires the Historic Landmarks Committee to determine whether each criteria is met, and then weigh those findings against any criteria that are found not to be met.

**Summary of Applicant Findings**

The applicant has provided findings and is arguing that the historic resource meets multiple review criteria to support the demolition of the historic resource. The applicant's main arguments are related to the value and significance of the historic resources, the existing condition of the historic resources, the amount of investment required to bring the structure back to an acceptable level to provide an economic and reasonable use (and the associated financial hardship of that investment), the preservation being a deterrent to an improvement program of substantial benefit to the city, and that retention would not be in the best interests of a majority of the citizens of the city.

The main factor in the applicant's arguments and findings for the demolition of the existing historic resource is the existing condition of the historic resource. The applicant has provided photographic evidence of the poor condition of the historic resource, including issues with the foundation, lack of

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moisture or vapor barrier, interior framing lacking separation from the ground, extensive dry rot throughout, poor and outdated plumbing and electrical systems, and various issues with the exterior features of the home. An estimate from a local contractor was provided that supported these descriptions of the poor condition of the home.

The applicant has also argued that the historical value and significance of the historic resource is lacking due to its condition and also due to the classification it was assigned at the time of the survey of the property and the development of the Historic Resources Inventory.

The applicant has provided multiple statements related to the economic use of the historic resource being low, and that preservation of the structure would result in financial hardship that is not outweighed by the public interest in the preservation of the historic resource. Again, the applicant provided a statement from a local contractor that includes one cost estimate for the foundation repair, and other statements that allude to the need for other improvements to the structure. The applicant is arguing that these improvement costs are not reasonable to restore the historical integrity of the structure given its current economic use. Documentation of the Real Market Value of the structure as assigned by the County assessor's office was also provided, showing that the value of the structure is low, most recently at \$57,504.

Finally, the applicant is proposing an improvement program on the subject property that the preservation of the historic resources would prevent from occurring. If the existing building was approved for demolition, the applicant is proposing to construct a new dwelling unit on the subject site. The applicant has described this replacement dwelling as being either a stick-built single-family dwelling or a manufactured home, but no additional detail was provided. Building permit plans have also not yet been submitted for any redevelopment of the property.

### **Analysis of Review Criteria**

The Historic Landmarks Committee needs to make their findings for their decision based on the review criteria of the McMinnville Municipal Code, which are in Section 17.65.050(B) and are shown above.

The McMinnville Municipal Code does not require that the applicant's request meet all of the applicable review criteria in order for a Certificate of Approval for Demolition application to be approved. The Historic Landmarks Committee needs to decide if the applicant's findings are compelling enough to warrant an approval for a Certificate of Approval for Demolition.

The applicant had also provided findings for the demolition being consistent with the Comprehensive Plan (review criteria 17.65.050(B)(1)) and that the historic resource constitutes a hazard to the safety of its occupants (review criteria 17.65.050(B)(5)). However, staff does not believe that the Comprehensive Plan goals and the purpose statement of the Historic Preservation chapter of the code support demolition of historic resources, and rather speak to the preservation and protection of structures of historical significance to the City of McMinnville. In regards to the historic resource being a hazard to the safety of its occupants, staff does not believe that this criteria is as applicable in the demolition request. While there are some documented issues with the condition of the structures (see description above and applicant narrative for more detail), there could still be a level of investment that would result in the building being functional and not a hazard to its occupants.

Staff believes that the applicant's arguments described in the section above (titled "Summary of Applicant Findings") could be found to be reasonable and satisfying the applicable review criteria to support the demolition of the historic resource. Staff believes that the most relevant and best satisfied review criteria is related to the "physical condition" of the historic resource, together with the value and significance of the historic resource, and the economic considerations associated with renovation of the structure to a level of acceptable use. The applicant provided fairly extensive documentation of some of the poor

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condition of the structure. Staff believes that some of the structural elements identified in the application materials are of particular note, including the crumbling brick foundation in multiple locations and the lack of foundation internally resulting in the floor framing resting on bare ground. The applicant did provide a contractor's statement (not really a true cost estimate) that does support the applicant's statements about the physical condition of the historic resource. The contractor concurs with the applicant, and notes many of structure's features that require extensive repair.

The one item that the contractor's statement provides specific cost estimate for is the repair of the foundation, which would require lifting the home and is estimated at between \$75,000 and \$85,000. Together with the other improvements required to repair the home and the existing Real Market Value of the structure, the Historic Landmarks Committee would need to find that the investment required in the structure would not be reasonable and be a financial hardship to the property owner. However, staff would note that the applicant did not provide much data or evidence for what the market value of the structure could be after improvements take place.

Staff would also note that it is apparent that there is likely some level of deterioration that has been allowed to occur over time, but it is difficult to determine exactly how the structure came to be in its current condition. At the time of the survey of the resource in 1983 at the time of the development of the Historic Resources Inventory the condition of the structure was assigned a "Fair" assignment, which is the third lowest of four possible assignments of condition. Within the "Fair" assignment, it was noted that the structure had "Rotten sills or frames", "Deep wear on stairs", and "Poor or no foundation", which provides some evidence that at least some of the poor condition of the structure existed at the time of original designation on the Historic Resources Inventory. Even with the somewhat poor condition of the structure at the time of the original survey, it was still evaluated and scored highly enough amongst all of the applicable criteria to be designated as a "Contributory" resource, as will be described in more detail below. Therefore, staff would not suggest that the condition of the structure alone be considered the most compelling argument for supporting demolition of the structure.

Staff would suggest that the most compelling argument and potentially most influential finding for potentially supporting the demolition of the structure would be for the criteria related to the "value and significance" of the historic resource. The applicant had provided some reference to the evaluation and scoring process that resulted in the structure being a "Contributory" resource. However, some of their references were incorrect. The historic resource was determined to be a "Contributory" resource during the stage 1 evaluation process during the development of the Historic Resources Inventory. The "Contributory" resources were "considered to enhance the overall historic character of a neighborhood or the City". The description of resources that "create the background or context for the more significant resources" that is referenced by the applicant was used to described "Environmental" resources, which the historic resource in question is not.

The historic resource in question was then also considered during the stage 2 evaluation process during the development of the Historic Resources Inventory, where it was scored against the stage 2 criteria of History, Style, Integrity, and Environment. The historic resource received a score of 5, which kept it within the "Contributory" classification but was not a score that resulted in a level of higher significance. Detail on the scoring from the stage 2 evaluation process, as shown in Appendix 4 and Appendix 5 of the Historic Resources Inventory, is shown below:

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Totals -

After the points were awarded for each of the categories of criteria, the scores were totalled. Resources were classified as follows:

"Distinctive Resources" - 9 or 10 points;  
 "Significant Resources" - 7 or 8 points;  
 "Contributory Resources" - 5 or 6 points;  
 "Environmental Resources" - Less than 5 points.

The score sheets and a list of the changes resulting from the stage two evaluations are included in Appendix 5.

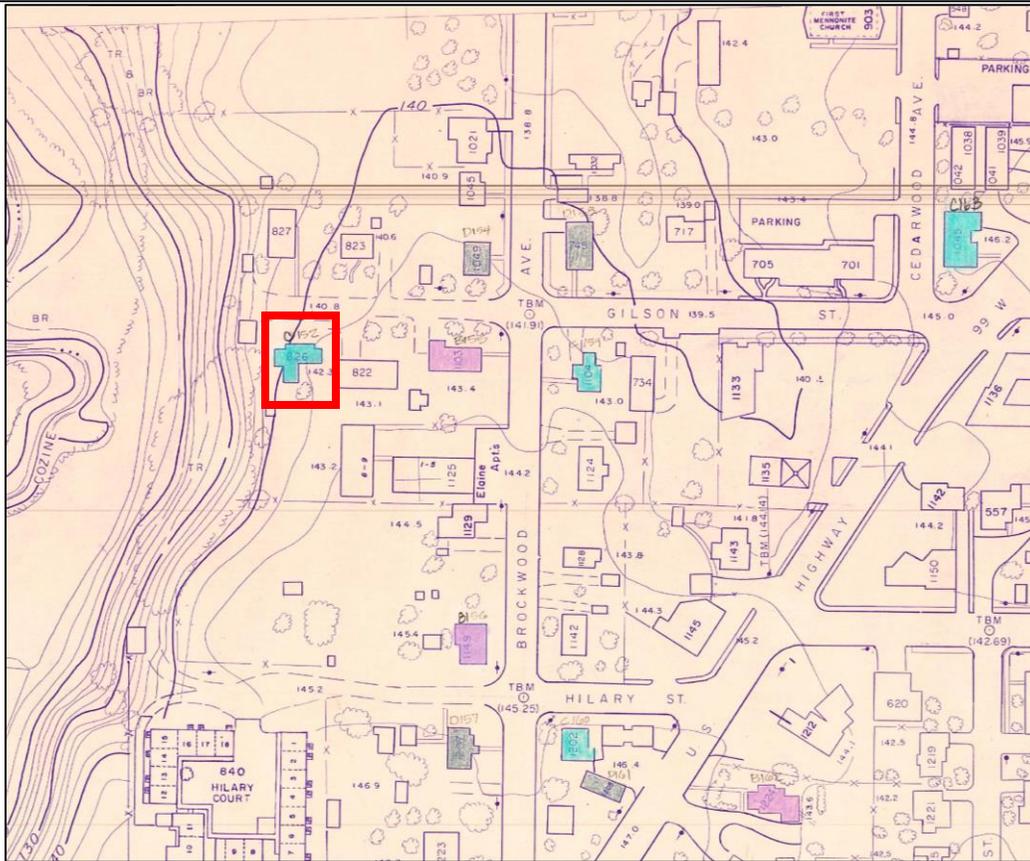
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<u>#</u>	<u>H</u>	<u>S</u>	<u>I</u>	<u>E</u>	<u>Bonus</u>	<u>Total</u>	<u>Comments:</u>
C144	1	1	2	2		6	
C145	1	1	2	2		6	
C152	2	1	1	1		5	
C159	2	1	1	2		6	
C160	2	1	1	2		6	

This shows that the structure was originally evaluated at a low level for most of the applicable review criteria, other than "History" which may be based on the estimated year of construction (1890).

Finally, the applicant is proposing an improvement program of the redevelopment of another dwelling on the subject property, which could be found to be an improvement program of benefit to the City. The improvement program is basically the replacement of one dwelling unit with another dwelling unit, which is not necessarily a substantial benefit to the City as it does not result in an increase in available housing, but it would result in new construction of a dwelling unit. The built environment around this location and in the surrounding neighborhood is somewhat varied, and there are not a large number of other designated historic resources in the area. There has also been more recent redevelopment of the properties immediately adjacent to the west and south with more modern single family homes. Therefore, the replacement of the historic resource with another newer dwelling unit would not result in an incompatibility with the surrounding neighborhood or degradation of a significant pattern of historical development.

An image of the Historic Resources Inventory map of the surrounding area is shown below for reference:



However, staff would note that there have been no plans yet submitted for this redevelopment or improvement program, and no timeframe described by the applicant.

On recent demolition requests, the Historic Landmarks Committee has included a condition of approval to require that, prior to the demolition, an owner make the structure available for moving to another site. Also, on recent demolition requests the Committee has required that the owner make available the amount of funds that they would have spent on demolition of the structure to the party that would move the structure to cover costs associated with the move. The intent behind this requirement is to provide a financial incentive to someone interested in renovating the structure, as they could receive the structure at no cost and also have all or most of the costs of moving the structure covered by the current owner, which would test whether the renovation of the structure is economically reasonable.

There has been no evidence or analysis of whether the structure could be moved, and the applicant (and also current owners) have not provided any cost estimate associated with the demolition of the structure. Based on this, and the fact that there are no redevelopment plans yet submitted for the property, staff would suggest that the Historic Landmarks Committee consider requiring the applicant to make the structure available for relocation, but not require that funding be made available to assist in the relocation (because it is not apparent that the property owner has that funding available due to there being no immediate redevelopment plans for the property).

Also, if the Historic Landmarks Committee finds that the improvement program described by the applicant would satisfy this review criteria (criteria 17.65.050(B)(6)), and that it may be more influential when weighed against other criteria that are not being satisfied, staff would remind the Committee that in the past, there has been a consideration of deferring the issuance of a demolition permit until such time as building permits are actually submitted for the improvement program. The intent behind this has been to ensure that the improvement program actually moves forward prior to demolition of the historic resource.

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As stated above, there have been no redevelopment plans submitted for the subject property, so staff would suggest that the Committee consider including this delay on the issuance of a demolition permit until building permits are submitted.

Finally, the Historic Landmarks Committee could require that the history of the buildings be documented through other means for archival purposes if the structure is not relocated and at such time that redevelopment of the property is actually proposed, which would satisfy review criteria 17.65.050(B)(8). These other means have traditionally included detailed photographic evidence that is provided to the Planning Department.

### **Commission Options:**

- 1) Close the public meeting and **APPROVE** the application, per the decision document provided which includes the findings of fact.
- 2) **CONTINUE** the public meeting to a specific date and time.
- 3) Close the public meeting and **DENY** the application, providing findings of fact for the denial in the motion to deny.

### **Recommendation:**

Again, in reviewing a request for a demolition of a historic landmark, the Historic Landmarks Committee must base its decision on the criteria described in Section 17.65.050(B) of the McMinnville City Code, and as reviewed in the staff report above. **It is important to note again that the proposal is not required to satisfy every one of the review criteria, but that the Historic Landmarks Committee must base its decision on the multiple review criteria. This requires the Historic Landmarks Committee to determine whether each criteria is met, and then weigh those findings against any criteria that are found not to be met.**

Based on the information provided, staff believes that the applicant has provided findings that could be found to support the demolition request. Staff believes that the applicant provided reasonable findings for the value and significance of the historic resources, that the preservation of the historic resources would be a deterrent to an improvement program of benefit to the City, and that the retention of the historic resource not being in the best interests of a majority of the citizens of the city. The findings related to the economic use and financial hardship of the preservation of the historic resources are not as strongly supported by data or evidence from the applicant. Therefore, staff would suggest that the Historic Landmarks Committee consider their arguments and determine whether they are found to be reasonable. Also, staff has suggested some conditions of approval related to making the structure available for relocation, which has been a requirement that has been applied in other demolition requests to further test the reasonability and viability of renovating the existing structure.

These criteria, together with a potential requirement to provide an opportunity to relocate the structure, a requirement to delay the issuance of the demolition permit until building permits are submitted for redevelopment of the property, and a requirement for more detailed documentation of the historic resource prior to demolition, could be found by the Historic Landmarks Committee to outweigh the other review criteria that are not being satisfied. Staff does not believe that the Comprehensive Plan goal and Historic Preservation purpose statement support demolition of historic resources, and staff also believes that the structures could be improved to some degree to not be a hazard to its occupants. Therefore, staff does not believe that these criteria are being satisfied, and that they should be considered and weighed by the Historic Landmarks Committee against the criteria that could be found to be satisfied.

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**If the Historic Landmarks Committee agrees with the applicant's arguments and findings in Sections 17.65.050(B)(2), 17.65.050(B)(3), 17.65.050(B)(4), 17.65.050(B)(6), 17.65.050(B)(7), and 17.65.050(B)(8), staff recommends that the demolition request be approved with conditions.** If the Historic Landmarks Committee does decide to approve the request for the demolition of the historic resource, staff is suggesting that an opportunity be made for relocation of the structure, that the demolition permit also be delayed until such time as building permits are submitted for redevelopment of the property, and that photo documentation be provided of the historic resource prior to demolition.

Staff is suggesting that the following conditions of approval be included to provide for additional opportunity to preserve the historic resource:

- 1) That within 20 (twenty) days of notification of the Historic Landmarks Committee's decision, the applicant shall place notice in the "News-Register" advertising that for a period of not less than 120 days, the subject structure will be available for relocation. The applicant will place such notice in a minimum of two editions of the "News-Register". The applicant shall also advertise the availability of the subject structure for relocation in postings on Craigslist, in the McMinnville, Salem, and Portland areas. The applicant shall also notify a minimum of four (4) local real estate agents of the availability of the subject structure for relocation. During the 120-day period following the required advertising, the applicant shall also place a posted notice on the right-of-way adjacent to the property noticing the offering of structure for relocation. Evidence of the advertisement and the property posting shall be provided to the Planning Department prior to the issuance of the demolition permit for the subject structure.

The City of McMinnville shall not issue a demolition permit for the structure until 120 days from the first day of advertising the subject structure for relocation.

- 2) That the City of McMinnville shall not issue a demolition permit for the historic resource until building permits for an improvement program substantially similar to the project described in the application materials have been submitted to the Building Department. The improvement program shall be considered to be substantially similar to the project described in the application materials if it is for any permitted or conditionally permitted use in the underlying zone.
- 3) That prior to the issuance of the demolition permit for the subject structure, a minimum of 20 (twenty) digital photographs documenting exterior views of the subject structure and a minimum of 20 (twenty) digital photographs documenting interior views of the subject structure shall be submitted to the Planning Department.

**Staff has provided a draft decision document with findings to support a Historic Landmarks Committee decision to approve the demolition with the above condition.**

Alternatively, the Historic Landmarks Committee could make findings to support a decision to deny the demolition request. Staff has provided some description of each of the applicable review criteria, and the Committee could use some of those arguments to make findings that the demolition of the resource is not warranted. Again, the Historic Landmarks Committee must consider each applicable review criteria and weigh them against each other. The Committee's decision must be based on the applicable review criteria, but there is no requirement that any particular number of review criteria be satisfied or not satisfied.

In order for the Historic Landmarks Committee to make a decision to deny the demolition request, staff believes that the Committee could make findings that the existing historic resource still retains some of the architectural building form that originally resulted in the structure being listed on the Historic Resources Inventory even though most of the detailed architectural features are in poor condition, showing that the historic resource does still retain some level of historic value and significance (Section

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17.65.050(B)(3)). The Committee could also find that with reinvestment the physical condition of the structure could be improved (Section 17.65.050(B)(4)), that with reinvestment the structure would not pose a safety hazard (Section 17.65.050(B)(5)), and that there exists a public interest in the retention of the structure that is in the best interests of the City (Sections 17.65.050(B)(7)) and 17.65.050(B)(8)). The Historic Landmarks Committee would need to find that these criteria outweigh the applicant's arguments that there is no economic use of the resource given the level of investment required, the potential financial hardship that would be incurred by the owner in the retention of the resource, and that the public interest in the retention of the resource overrides the potential financial hardship and the improvement program described by the applicant.

The Historic Landmarks Committee should review the information and arguments provided by the applicant during the public meeting, offer an opportunity for the applicant and the public to provide testimony, and then deliberate and determine whether the review criteria being satisfied by the applicant outweigh those that are not.

**MOTION FOR THE APPROVAL OF HL 6-20:**

**BASED ON THE FINDINGS OF FACT, THE CONCLUSIONARY FINDINGS FOR APPROVAL, AND THE MATERIALS SUBMITTED BY THE APPLICANT, THE HISTORIC LANDMARKS COMMITTEE APPROVES HL 6-20, BASED ON THE FINDINGS OF FACT PROVIDED IN THE DECISION DOCUMENT. [NOTE – INCLUDE CONDITIONS OF APPROVAL IN THE MOTION IF THERE ARE ANY DISCUSSED BY THE HLC ON THE PUBLIC RECORD DURING THE MEETING]**

If the Committee does not find that applicable criteria have been addressed by the applicant, staff recommends that the Committee continue the application to a future Historic Landmarks Committee meeting to allow the applicant to provide additional information or findings. Similarly, if the Committee makes findings for the denial of the application, staff would recommend that the Committee continue the application to allow staff to draft an updated Decision Document, based on findings provided by the Committee on the record during the meeting. A recommended motion for the continuation of the application is provided below:

**MOTION FOR THE CONTINUATION OF HL 6-20:**

**BASED ON THE MATERIALS SUBMITTED BY THE APPLICANT, THE HISTORIC LANDMARKS COMMITTEE FINDS THAT ADDITIONAL INFORMATION (AS DISCUSSED ON THE RECORD) IS NECESSARY, AND CONTINUES HL 6-20 TO A COMMITTEE MEETING ON JUNE 24, 2021 AT 3:00 PM.**

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